

Transferring Cherished Possessions

LESSON 3: WHO GETS WHAT?

FACILITATOR'S GUIDE

RATIONALE: Estate planning can be a complicated process, especially when considering how to transfer personal property to people who will want and care for it after your death. You also may be worried about how to distribute your personal property without hurting feelings or causing conflict. Being mindful of family dynamics while estate planning requires you to delicately balance financial, emotional, and psychological considerations.

GOAL: Evaluate different methods of distributing non-titled assets.

OBJECTIVES:

- Understand how to create an asset distribution plan
- Evaluate different methods of asset distribution
- Identify methods for outsourcing asset distribution

RESOURCES FOR LEADERS:

- FCS5-481 Publication: *Transferring Cherished Possessions: Who Gets What?*
Available: <http://www2.ca.uky.edu/agcomm/pubs/FCS5/FCS5481/FCS5481.pdf>
- FCS5-481 FG Facilitator's Guide
- 003 PowerPoint Presentation

RESOURCES FOR PARTICIPANTS

- FCS5-481 Publication: *Transferring Cherished Possessions: Who Gets What?*
Available: <http://www2.ca.uky.edu/agcomm/pubs/FCS5/FCS5481/FCS5481.pdf>
- 003 Handout: *Creating an Asset Distribution Plan*
- 003 Activity: *Woodwork and Wedding Rings Vignette*
- *Agree/Disagree Flip Cards* for each participant (*Note, find these in Lesson 2.)
- 003 Evaluation

ESTIMATED TIME

This lesson is designed to take between 45 and 60 minutes to complete. You may shorten or lengthen the lesson by extending discussion times or removing activities as needed.

SUPPLEMENTAL RESOURCES

In addition to the materials contained in this curriculum, you might find the resources below helpful to supplement your lessons when participants ask for more information on estate planning. Find digital copies in the Supplemental Resources folder of the curriculum.

- KEHA Leader Lesson: *Transferring Cherished Possessions* (See FCS Master Resource List)
- *MONEYWISE Volume 12, Issue 4: Extension Publications to Help with Estate Planning*
- Kentucky Cooperative Extension Estate Planning Publication Series:
 1. FCS5-420: Estate Planning Part 1: Getting Started
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5420/FCS5420.pdf>
 2. FCS5-422: Estate Planning Part 2: Your Records and Personal Information
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5422/FCS5422.pdf>
 3. FCS5-423: Estate Planning Part 3: Selecting Your Team
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5423/FCS5423.pdf>
 4. FCS5-424: Estate Planning Part 4: Financial Planners
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5424/FCS5424.pdf>
 5. FCS5-425: Estate Planning Part 5: Wills and Probate in Kentucky
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5425/FCS5425.pdf>
 6. FCS5-426: Estate Planning Part 6: Trusts
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5426/FCS5426.pdf>
 7. FCS5-427: Estate Planning Part 7: Federal and State Estate Taxes
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5427/FCS5427.pdf>
 8. FCS5-465: Estate Planning Part 8: Planning Your Digital Estate
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5465/FCS5465.pdf>
 9. FCS5-436: Estate Planning Part 9: How to Settle an Estate
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5436/FCS5436.pdf>
 10. FCS5-428: Estate Planning Part 10: A Glossary of Terms
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5428/FCS5428.pdf>

PROGRAM EVALUATION

There are different ways to measure program success, including KERS reporting, individual lesson evaluations, a follow-up program evaluation, and a success story.

- **KERS Indicators**

Relevant KERS indicators exist that can be tied to the provided Lesson One Evaluation. They can be found under **2056 - Financial Education – General**.

- **2056.6)** Number of individuals who reported increased levels of understanding in the area: identifying estate planning strategies for the family, farming operation, or business
- **2056.7)** Number of individuals who took action toward implementing at least one estate planning strategy in regard to the subject matter presented
- **2056.9)** Number of participants who attended age-related housing, financial, and estate planning programs not identified as a “major program.” Major age-related programs include Keys to Embracing Again, 10 Warning Signs, and AARP Prepare to Care

- **Lesson Evaluation**

After the conclusion of Lesson Three, participants should complete one of the following evaluation methods (hard copy or digital, not both):

- **Hard copy evaluation:**

Please send hard copy evaluations to Dr. Nichole Huff:

- *Electronic Scans:* nichole.huff@uky.edu
- *Paper Photocopies:* 102 Erikson Hall, Lexington, KY 40506

Note: If you or someone in your office can enter paper evaluations individually into the Qualtrics form below [*this is preferred*], then you do not need to send hard copies or scans to Dr. Huff.

- **Digital evaluation:** There is also a Qualtrics option for participants to complete online evaluations using a personal computing device. Contact Dr. Huff after your program to receive an electronic report from your digital evaluations.

- *Qualtrics bit.ly link:* <https://ukfcs.net/TCP-3>
- *QR Codes for all evaluations are in the PPTs and evaluation tools.*

- **Follow-up Program Evaluation**

While initial evaluations help us gauge increases in knowledge and understanding, as well as *intended* behavior change, follow-up evaluations allow us to measure actual changes in behavior. They also help make our success stories more effective.

Follow the steps below to collect follow-up data at the end of your program:

1. Set a reminder on your calendar to alert you **one month** from the date of your last lesson in the series. (Ex: If you do all four sessions, you will send out the follow-up evaluation one month after the Lesson Four presentation.)
2. One month after your program concludes, participants should complete one of the following follow-up evaluation methods (hard copy or digital, not both):

- **Hard copy evaluation:**

Please send hard copy evaluations to Dr. Nichole Huff:

- *Electronic Scans:* nichole.huff@uky.edu
- *Paper Photocopies:* 102 Erikson Hall, Lexington, KY 40506

Note: If you or someone in your office can enter paper evaluations individually into the Qualtrics form below [*this is preferred*], then you do not need to send hard copies or scans to Dr. Huff.

Tip: If you mail out paper follow-up evaluations, include an addressed, stamped envelope and an incentive item (e.g.: recipe card, newsletter).

- **Digital evaluation:** There is also a Qualtrics option for participants to complete online evaluations using a personal computing device. Contact Dr. Huff after your program to receive an electronic report from your digital evaluations.

- *Qualtrics bit.ly link:* <https://ukfcs.net/TCP>
- *QR Codes for all evaluations are in the PPTs and evaluation tools.*

- **Success Story Template**

A blanket success story template is included in the marketing package that will allow you to personalize your impact statement using the evaluation data you collect.

Use the information included in the Lesson Three publication to present the slides below:

INTRODUCTION

Slide 1 – Title Slide

- Introduce yourself and share the Lesson Three rationale and goal.

Slide 2 – Lesson Objectives

- Review the lesson objectives.

Slide 3 – Ice Breaker Discussion

- The task of sorting through a lifetime of belongings can be overwhelming. It's natural to feel a range of emotions, or to procrastinate on the task to protect yourself from feelings that may surface. These emotions may feel even stronger when belongings are special or hold sentimental value.
- **Ask:** Think about one of your cherished possessions that you would like someone to inherit. Is there a story behind the item? What makes it special? Who do you intend to receive it?
- Allow participants to answer for 5 to 10 minutes before moving on. It may be helpful if you have your own “cherished possession” — or picture of this item — to show to begin the conversation.
- **Debrief and Transition:** Now reflect on how you intend to pass the item along. Will you give the item to your heir while you are alive? Will you leave it in your will for them to inherit it when your estate is settled? Do they know what made the item special to you? As we think about our personal belongings and how to distribute them, it's helpful to decide what items have meaning, who should receive them, and how you plan for them to be passed on.

OBJECTIVE 1

Understand how to create an Asset Distribution Plan

Slide 4 – Deciding Who Gets What

- When deciding “who gets what” in your estate, one way to simplify the process is to inventory your home one room at a time. This is called creating an Asset Distribution Plan. Simply put, an Asset Distribution Plan details how your assets (the items in your home) will be distributed and disposed of upon your death. Your plan should contain four columns: Possession, Recipient, Reason, and Distribution Method.

Slide 5 – Sample Asset Distribution Plan

- Distribute the handout *Creating an Asset Distribution Plan* so participants can follow along with what's shown on the screen. The handout will also help them begin their plan once they return home.
- Explain the process of creating an Asset Distribution Plan as detailed on the handout.
- To begin, select one room in your home to inventory, jotting down notes as you go.
 - In the *Possessions* column, list each item or group of items you find.

- In the next column, indicate the *Recipient* you want to receive that belonging. It can be a specific person, like a loved one, or it can be an organization, like a donation center.
- In the *Reason* column, note why the item is or is not special, as well as why you've selected that recipient.
- Finally, select a *Distribution Method*, which will be discussed later in this session.

Slide 6 – Methods of Asset Distribution

- The methods you choose may be *private and personal*, such as creating an itemized inventory of your assets, or *public*, such as having an auction or estate sale. You may choose to begin distributing your possessions during your lifetime by gifting, donating, or decluttering. Or you may have your executor distribute items after your death based on the instructions set out in your will or *Letter of Last Instructions*.

Slide 7 – Legal Considerations

- Whatever asset distribution method you choose, it is important to ensure it is legal in Kentucky. For example, if you ask your children to look around the house and place a name tag on items each person wants — also known as labeling — it will likely not be considered legally binding in a court of law.
- Additionally, if particular assets carry monetary value, especially antiques and jewelry, it may be wise to have an appraiser estimate their worth and make the valuations known to all beneficiaries for transparency during the planning or settlement process. You also want to make sure you or your executor are compliant with Kentucky estate tax laws. Consult with an estate planner or family attorney.
- **Note:** For more financial and legal considerations when estate planning, instruct participants to review Kentucky Extension publication, *FCS5-427: Federal & State Estate Taxes*.

OBJECTIVE 2

Evaluate different methods of asset distribution

Slide 8 – Personal Distribution

- Before you can communicate a plan for distributing your cherished possessions and other non-titled property, first you must have a plan. This begins by identifying distribution methods for your household items. We will discuss common methods used when distributing personal property. You can use these methods while a person is living to downsize or after death when the contents of the estate are settled. Personal distribution methods include itemized lists, gifting items, and making copies.
 - **Itemized lists.** Unlike your titled property, cherished possessions and other non-titled property can be numerous. Listing these items in your will may create unnecessary costs if you frequently change your mind. Instead, make an itemized list of your non-titled possessions or create an Asset Distribution Plan. Upon your death, your executor can follow the provided instructions to quickly distribute your things. Be sure to include instructions for household items not listed, such as donating clothes or kitchenware to a local charity.
 - **Gifting items.** Gifting cherished possessions during your lifetime provides you with an opportunity to share the stories behind each item. How and when did you get the item? Why is it special to you? Are there any funny or sentimental stories or memories connected with it? Personally gifting possessions is a way

to pass down family history to future generations. Distributing some assets while you are living may also reduce relationship strain. Before you decide to gift large or valuable items, however, seek legal counsel to ensure you adhere to Kentucky estate tax and probate laws.

- **Duplication.** Advances in technology and digitalization make it easy to share special mementos. Instead of selecting one loved one to receive photos, documents, videos, or recipes, for example, have copies made so that everyone has these memories to cherish.

Slide 9 – Private Distribution

- Private distribution methods include making donations, drawing lots, private “auctions,” and virtual distribution.
 - **Making donations.** You may choose to donate possessions to a local museum, library, school, community center, or other organization for the benefit of society. This option may be a good fit if you own special collections, historical artifacts, collectibles, or antiques that hold significant public interest. You also may choose to donate to charitable organizations any household items that do not hold sentimental value for your heirs, such as small appliances or clothes.
 - **Drawing lots.** Drawing lots allows heirs to take turns in picking out cherished or sentimental items. This method gives everyone a chance to choose what has value to them by regulating the selection process. Lots may start with children, then move to grandchildren, then siblings depending on family structure and preferences.
 - **Private “auction.”** Holding private family auctions can regulate the selection process. Heirs bid on items they want most with tokens or a designated dollar amount from the value of the estate. Families can customize how they choose to distribute the amount to create a fair process between children, grandchildren, or extended family.
 - **Virtual distribution.** If your family lives in different geographic locations, meeting in person to settle an estate may be difficult. Online or virtual alternatives allow all family members to be included. This method involves creating an online photo catalog or album of all household items for heirs to view before holding a virtual meeting. This method pairs well with other in-person methods (for example, private auctions or drawing lots).

Slide 10 – Public Distribution

- Public distribution methods include garage sales, estate sales, and public auctions. You may also decide to outsource or bring in outside help when using public distribution methods. We’ll discuss a few outsourcing options later in this lesson.
 - **Garage sales.** Garage or yard sales are particularly useful when cherished possessions have been distributed but the estate still contains general-use items such as furniture, small appliances, knickknacks, and clothes. Garage sales are typically held outdoors. They are also good ways to reduce clutter and downsize household belongings during your lifetime. When done while an estate is being settled, the proceeds from the sale count toward the value of the estate.
 - **Estate sales.** Estate sales are typically conducted inside an estate as it is being settled. Estate sales are held shortly before the home and/or land is listed for sale and include everything in the home and on the property. While patrons can negotiate the price of items at a garage sale, an appraiser typically values and

prices the items at an estate sale. This lets the beneficiaries understand the expected proceeds from the sale.

- **Public auctions.** Like an estate sale, a public auction is open to the community. An auction company may host the auction at the estate or at an auction house. Attendees can inspect items before the auction begins and place bids as the auctioneer presents items for sale. Some auction companies allow online bidding.

Slide 11 – Distribution Methods Activity

- This activity will use the *agree/disagree flip cards* from Lesson Two. Explain to participants that you will ask if they would personally use each distribution method discussed and that you would like them to hold up their card accordingly if they agree (i.e., they would use that method) or disagree (i.e., they would not use that method).
- You may also choose to have participants give a thumbs-up/thumbs-down, stand/sit, or move to different sides of the room to indicate if they agree or disagree. If time allows, ask participants to share why they would or would not use a method, or discuss the pros and cons of using a method.
- Read the following statements and allow participants to answer:
 - I might use itemized lists.
 - I might gift items.
 - I might make donations.
 - I might make copies (of photos, documents, videos, etc.).
 - I might use the “drawing lots” method.
 - I might use a private “auction.”
 - I might use a virtual distribution.
 - I might use a garage sale.
 - I might use an estate sale.
 - I might use a public auction.
- If time allows, ask if anyone has had experience with any of the methods listed. What went well? What could have gone better? (If time doesn’t allow for additional discussion, ask them to reflect on these questions after the session.)

OBJECTIVE 3

Identify methods for outsourcing asset distribution

Slide 12 – Outsourcing Distribution

- You may choose to hire a third-party service to help with moving or downsizing, or to assist your executor as they settle your estate. Examples of third-party services include liquidators and senior move managers.

- *Liquidators.* A liquidator can oversee the selling of assets while the owner or estate receives the proceeds. A liquidator may require a fee for service, but it may reduce the stress of arranging a sale or auction. Refer to <https://estatesales.org/how-to-select-an-estate-sale-company> for additional information.
- *Senior Move Managers.* A senior move manager is a hired professional who provides services such as going through household belongings and arranging them for distribution or sale, managing the sale of your home, overseeing movers, or planning what to move to a smaller space. To learn more about services offered by senior move managers, visit <https://www.nasmm.org/find-a-move-manager/>.

Slide 13 –Activity: *Woodwork and Wedding Rings Vignette*

- Provide participants with the Lesson Three activity handout: *Woodwork and Wedding Rings Vignette*. You may choose to do this activity as a large group or in smaller groups. Read the vignette and answer the corresponding questions. Discuss possible answers. Emphasize that there are no right answers — decisions depend on personal goals.

Slide 14 – Questions or Comments

- Estate planning for non-titled property can be a large task, so there’s no better time to start than the present. Begin by creating an asset distribution plan and inventory each room of your home. Rather than becoming overwhelmed by emotions that may surface, try to find joy as you reminisce about past times. Enlist the help of a friend or family member with whom you can share stories and memories for each cherished possession.
- *Ask: What questions or comments do you have?*

Slide 15 – Evaluation

- Review the evaluation options at the beginning of the Facilitator’s Guide.
- If you are using the digital version of the evaluation, keep this slide in your presentation.
- If you are using the hard copy version, use this time to distribute and collect evaluations.

Slide 16 – Attribution and Branding

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With contributing efforts provided by:
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